Media Release



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Coal seam gas water to boost private farm output

Santos today officially launched a Queensland-first partnership between a coal seam gas (CSG) company and a private landholder which will demonstrate how CSG operations can not only co-exist with farming, but actually enhance farming production.

Santos GLNG President Mark Macfarlane joined Mount Hope Station owners Leon and Ree Price to launch the start of the Mount Hope Station Irrigation Pilot Project.

"We have provided Mr and Mrs Price with a state-of-the-art pivot irrigation system which will use treated CSG water to irrigate high protein forage crops," Mr Macfarlane said.

"The cattle at the station will feed from the irrigated forage crops and grow faster. This will allow the Prices to sell their annual crop of 700 cattle at their normal target weight sooner than without irrigation."

Mr Macfarlane said this was a program Santos had been trialling as part of its Fairview Irrigation Project since 2008.

"Our Fairview Project is Australia's first large-scale treated CSG water irrigation project based at our Fairview and Springwater stations near Injune," Mr Macfarlane said.

"We have been using treated CSG water to irrigate forage crops, mainly leucaena, and had our small herd of cattle feed from this to find the best practice approach which we could adopt for our landholders and provide them with added value.

"What we found is that we can expect to boost animal growth per hectare on irrigated land (at optimum rates in normal seasons) by up to 25-fold during CSG water production.

"Cattle on unimproved land sit at one beast per five hectares, but when fed on irrigated leucaena it can improve to up to five beasts per hectare."

Santos has provided the Prices with a pivot irrigation system to cover 72 hectares of farming land, a sub-surface drip irrigation system to further irrigate an additional 30 hectares, and will be planting 130 hectares of forage crops, mainly leuceana. The irrigation system is complemented by an ongoing best practice water and soil monitoring program.

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"Today we switched on this irrigation system and started to pump through treated CSG water," Mr Macfarlane said.

"The CSG water has gone through stringent treatment at the reverse osmosis plant, that we also established at the property, and through a process of SAR (sodium absorption ratio) amendment to achieve the desired water quality.

"This project highlights the beneficial reuse of CSG water drawn from the coal seams which is up to one kilometre below ground, significantly deeper than where water is drawn from for farming purposes.

"We will be providing the Prices with around 700 megalitres of treated CSG water over the initial four-year partnership."

Mr Macfarlane said they expected to increase farming productivity while CSG water irrigation operations were underway on the property and CSG would continue to provide benefits after water supply had ended.

Santos will be looking to replicate this pilot project with other farmers in the region.

"We want to create respectful, mutually beneficial partnerships with our landholders and this project highlights how we can actually add value to farmers we work with," Mr Macfarlane said.

"We will be looking to roll out similar mutually beneficial arrangements with other farmers over the next 12 months."

Santos has a comprehensive water strategy in place which focuses on developing long-term solutions that benefit local communities and the environment. This is complemented by a best practice water monitoring program. Please visit www.glng.com.au for further information.

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Further notes:

- Mount Hope Station is a family owned agribusiness located approximately 36 kilometres northeast of Roma.
- The \$16 billion Santos GLNG project involves the exploration and production of coal seam gas in the Surat and Bowen Basins, construction of a 420-kilometre gas transmission pipeline from the gasfields to Gladstone and a gas liquefaction and export facility on Curtis Island. First cargoes are expected in 2015.